



DLGF Update

County Commissioners Annual Conference

Timothy J. Rushenberg

Commissioner

Department of Local Government Finance

December 3, 2009



Overview

- **2009 Year in Review at DLGF**
- **Property Tax Relief**
- **Our Mission: Restoring Property Tax Cycle**
- **2010 Census**



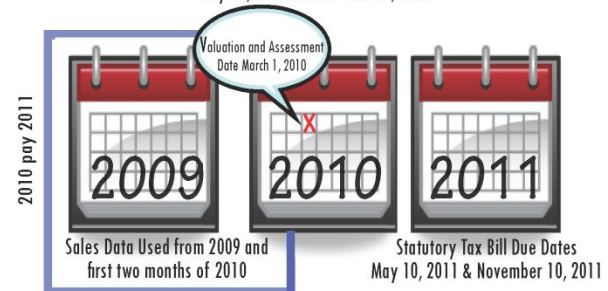
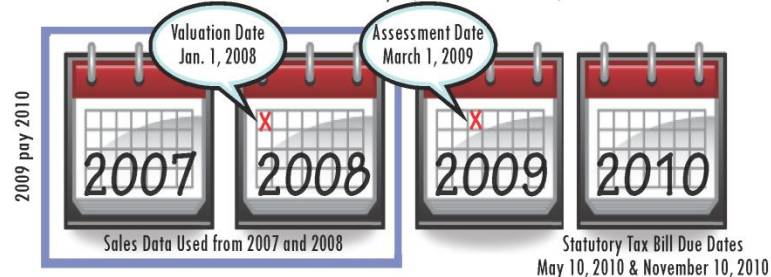
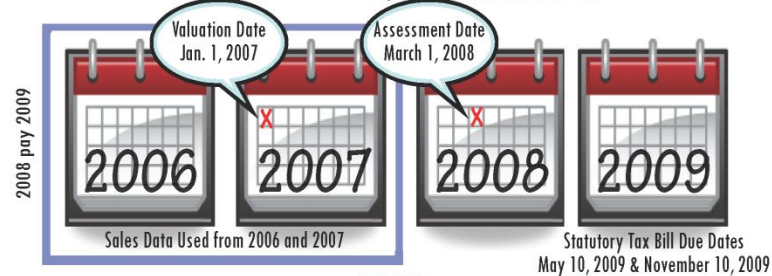
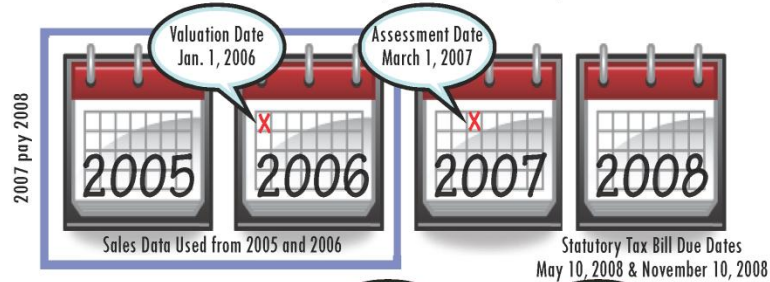
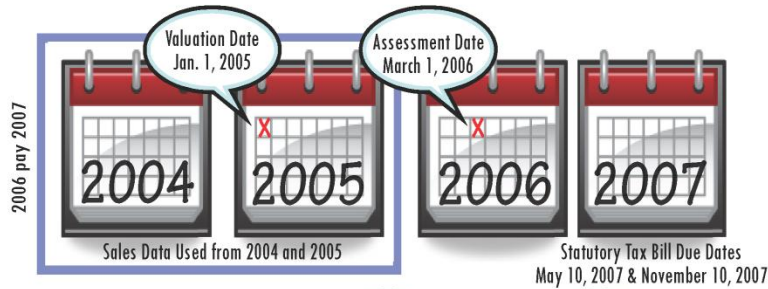
2009: “A Year in Review”

- **Re-built relationships and improved communication with taxpayers, legislators, counties and taxing units**
- **Established Core Values and Mission of On-time Billing**
- **Streamlined ratio study review and data compliance processes**
- **Tax bills due 2 months or 36% earlier in 2009 than 2008**



DLGF Update

Property Tax Relief

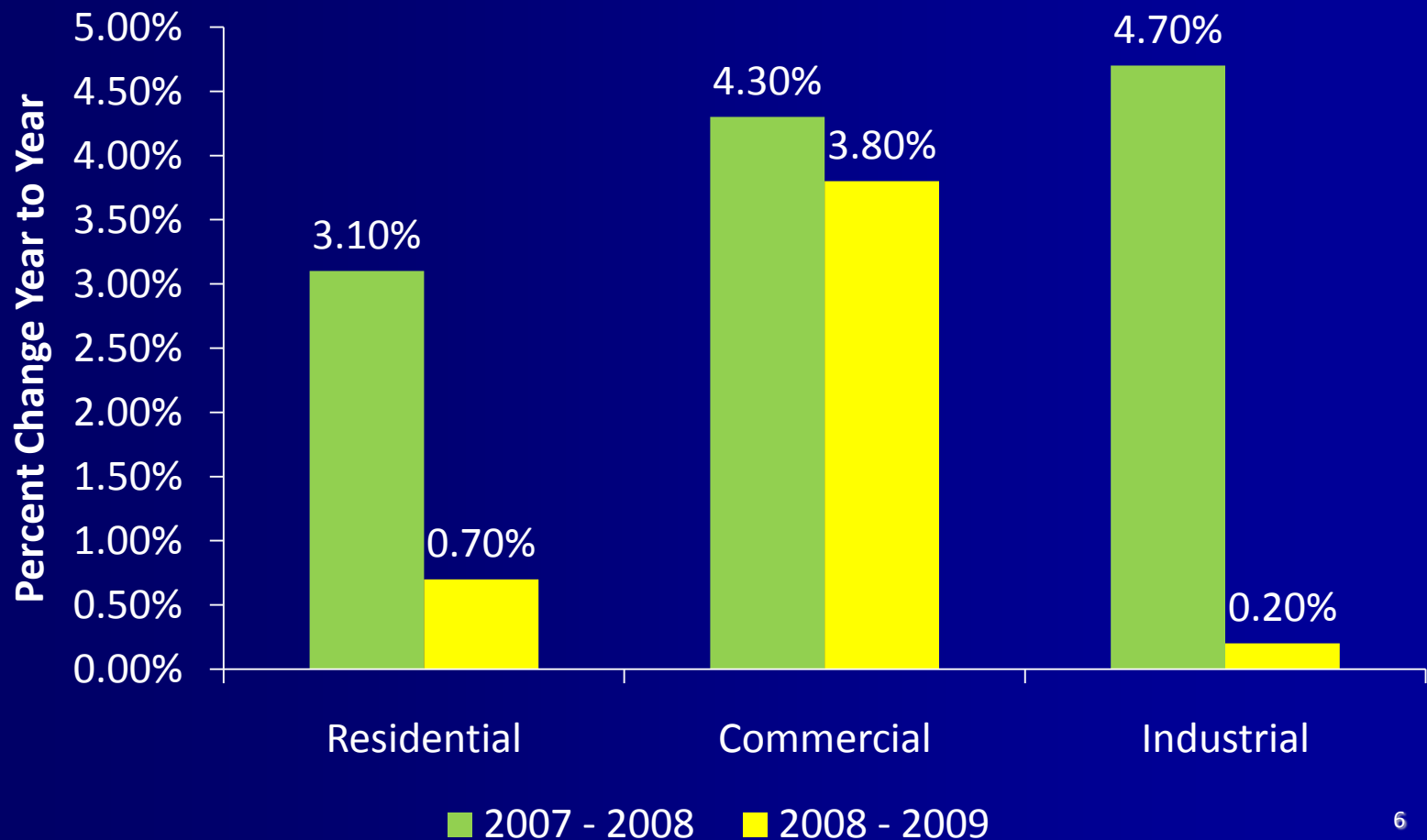


Assessment Date vs. Valuation Date
Department of Local Government Finance



2007 to 2009

Gross Assessed Value Changes





Property Tax Relief

- Circuit Breaker Caps took effect at 1.5%, 2.5% and 3.5% of property's gross assessed value in 2009.
- Beginning in 2009, State assumed \$3 billion in local spending.
- Many property owners will see additional cuts next year as the caps drop to 1%, 2% and 3%.
- State-provided property tax relief has increased since 2007.
- Homeowner tax bills fell 3.3% on average from 2008 to 2009.



DLGF Update

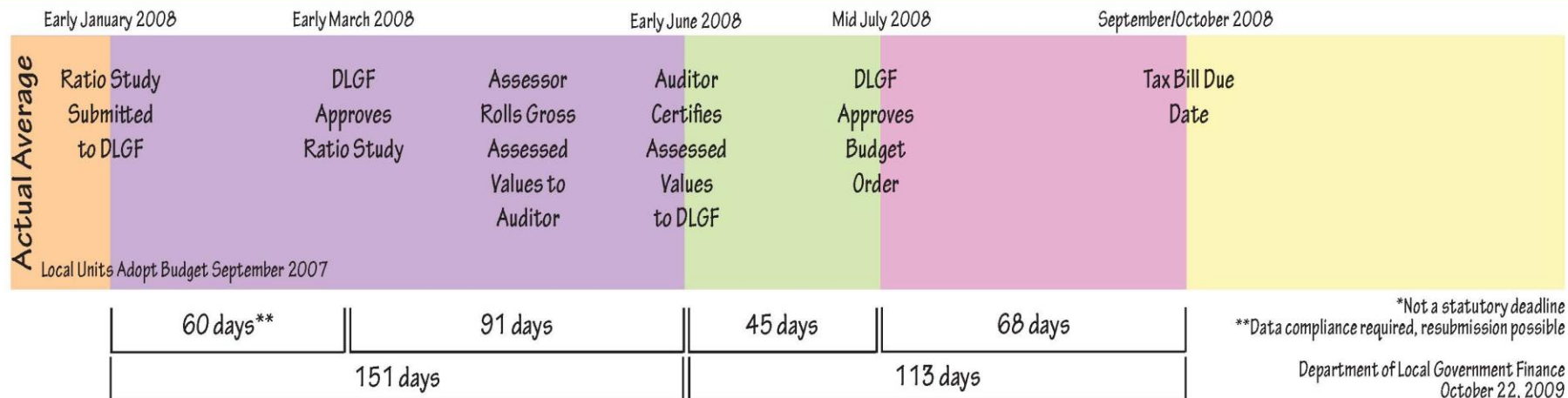
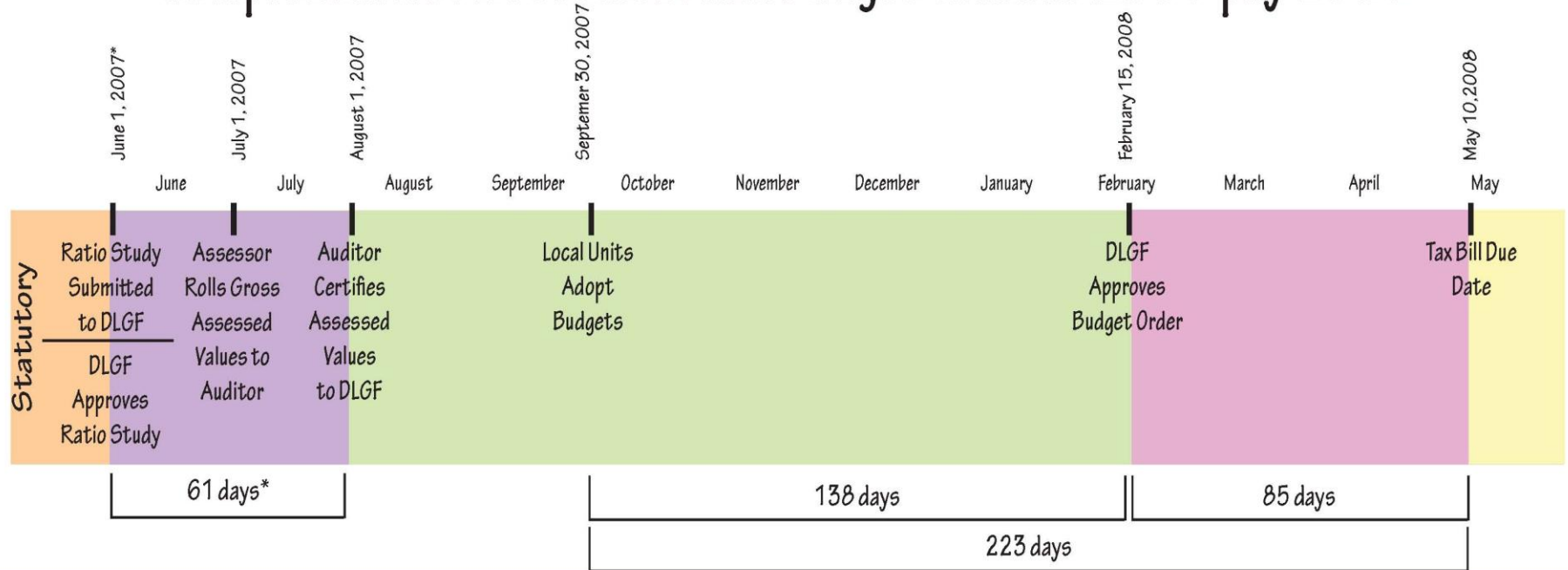
**Our Mission: To Restore the
Assessment-to-Tax Billing Cycle**



Restore On-Time Billing

- Reduce turnaround time for review and approval of ratio studies (includes counties w/data compliance issues)
 - 2007 pay 2008 – 60 days
 - 2008 pay 2009 – 55 days
 - 2009 pay 2010 – 17 days
- Reduce turnaround time for budget certification once certified assessed values are received
 - 2007 pay 2008 – 45 days
 - 2008 pay 2009 – 39 days

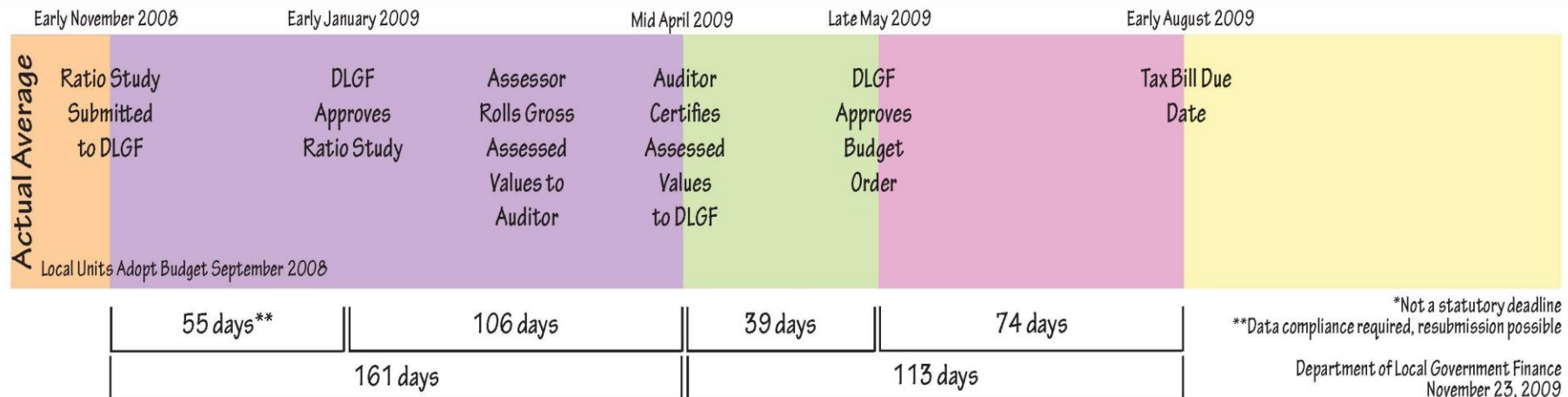
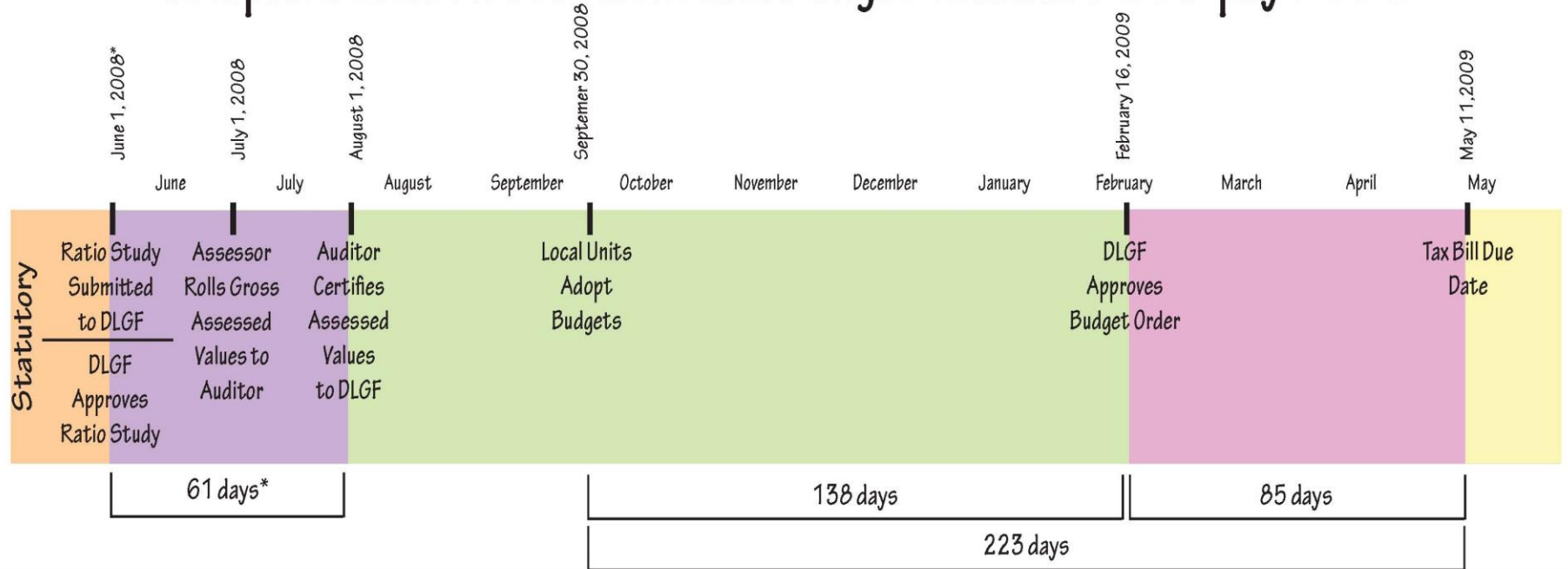
Comprehensive Assessment and Budget Timeline 2007 pay 2008



*Not a statutory deadline
 **Data compliance required, resubmission possible

Department of Local Government Finance
 October 22, 2009

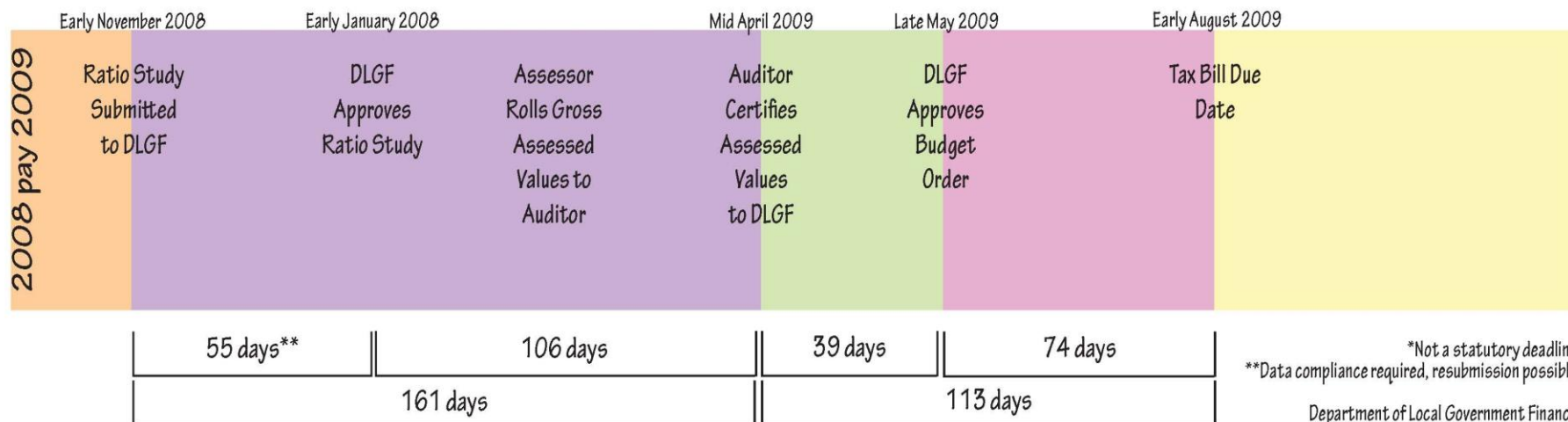
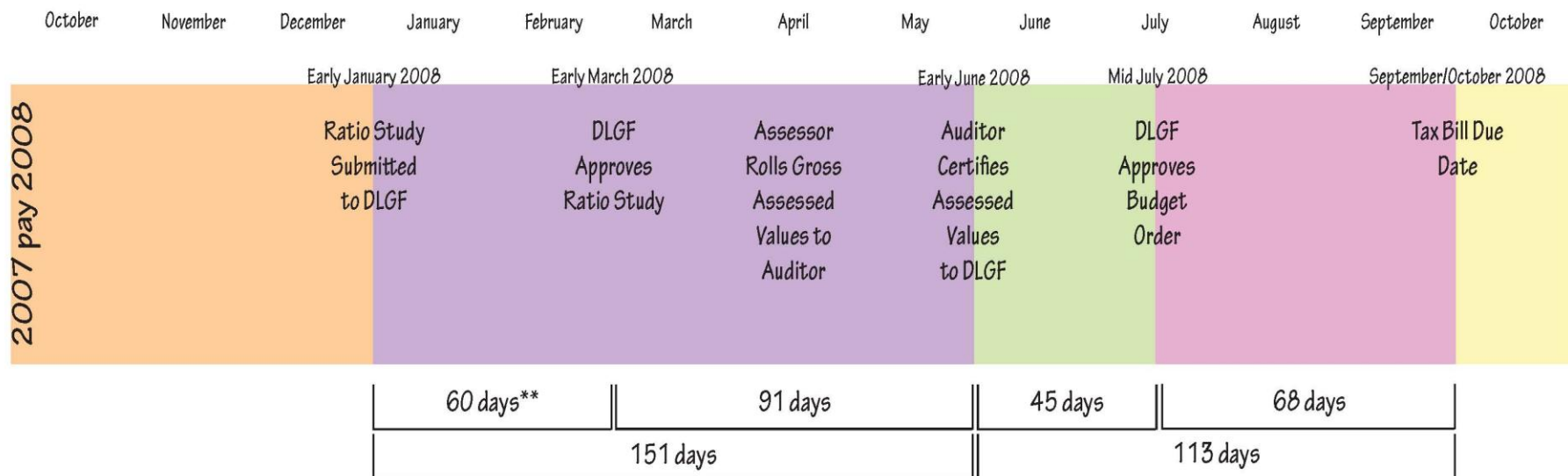
Comprehensive Assessment and Budget Timeline 2008 pay 2009



*Not a statutory deadline
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Department of Local Government Finance
 November 23, 2009

Comprehensive Assessment and Budget Timeline



*Not a statutory deadline
 **Data compliance required, resubmission possible

Department of Local Government Finance
 November 23, 2009



2008 Budget Certification status as of December 2, 2008

Status Maps:

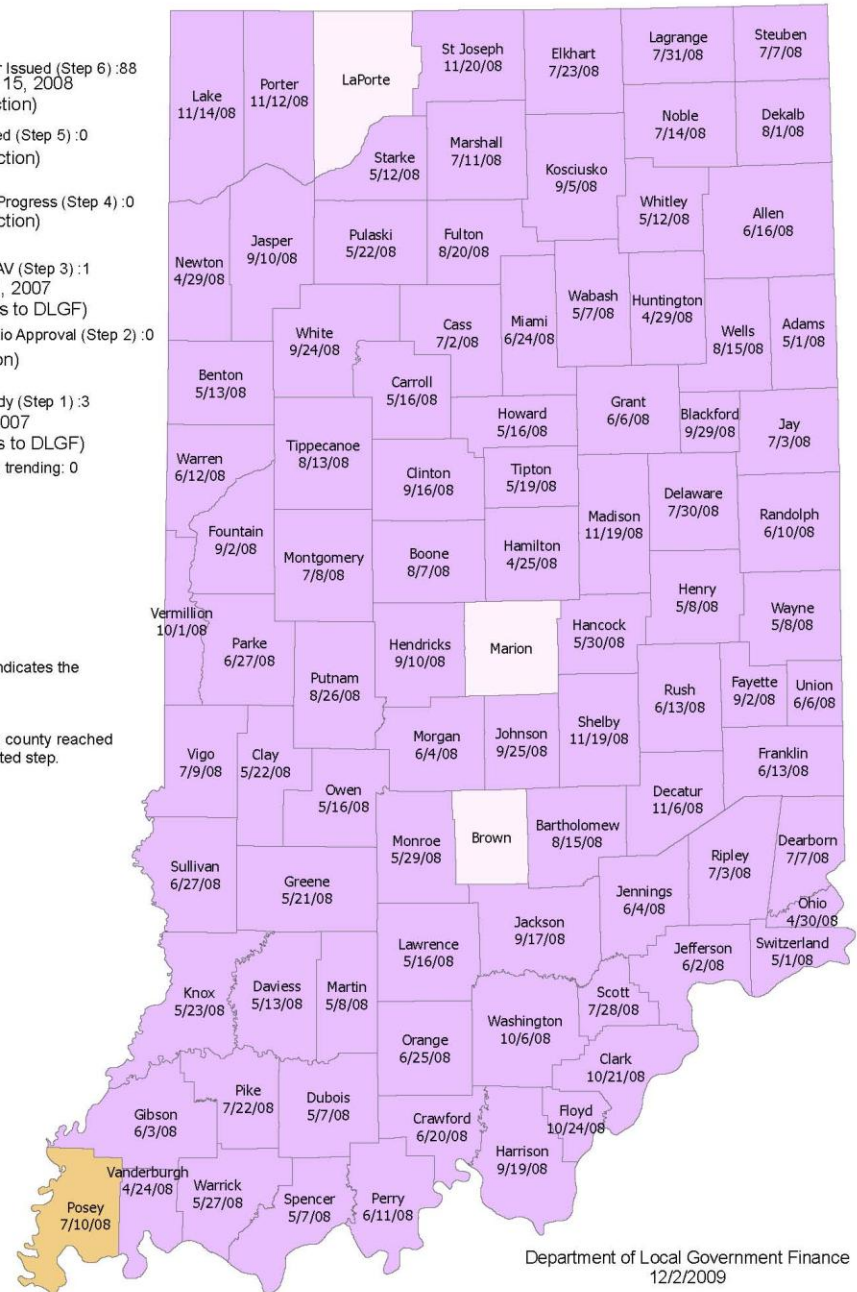
<http://www.in.gov/dlgf/6827.htm>

Indiana Counties

- Final Budget Order Issued (Step 6) :88
Due February 15, 2008
(DLGF Action)
- 1782 Notices Issued (Step 5) :0
(DLGF Action)
- Budget Review in Progress (Step 4) :0
(DLGF Action)
- Awaiting Certified AV (Step 3) :1
Due August 1, 2007
(Co. Auditor Sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :0
(DLGF Action)
- Awaiting Ratio Study (Step 1) :3
Due Spring 2007
(Co. Assessor sends to DLGF)
- State is performing trending: 0

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.





2009 Budget Certification status as of December 2, 2009

Status Maps:

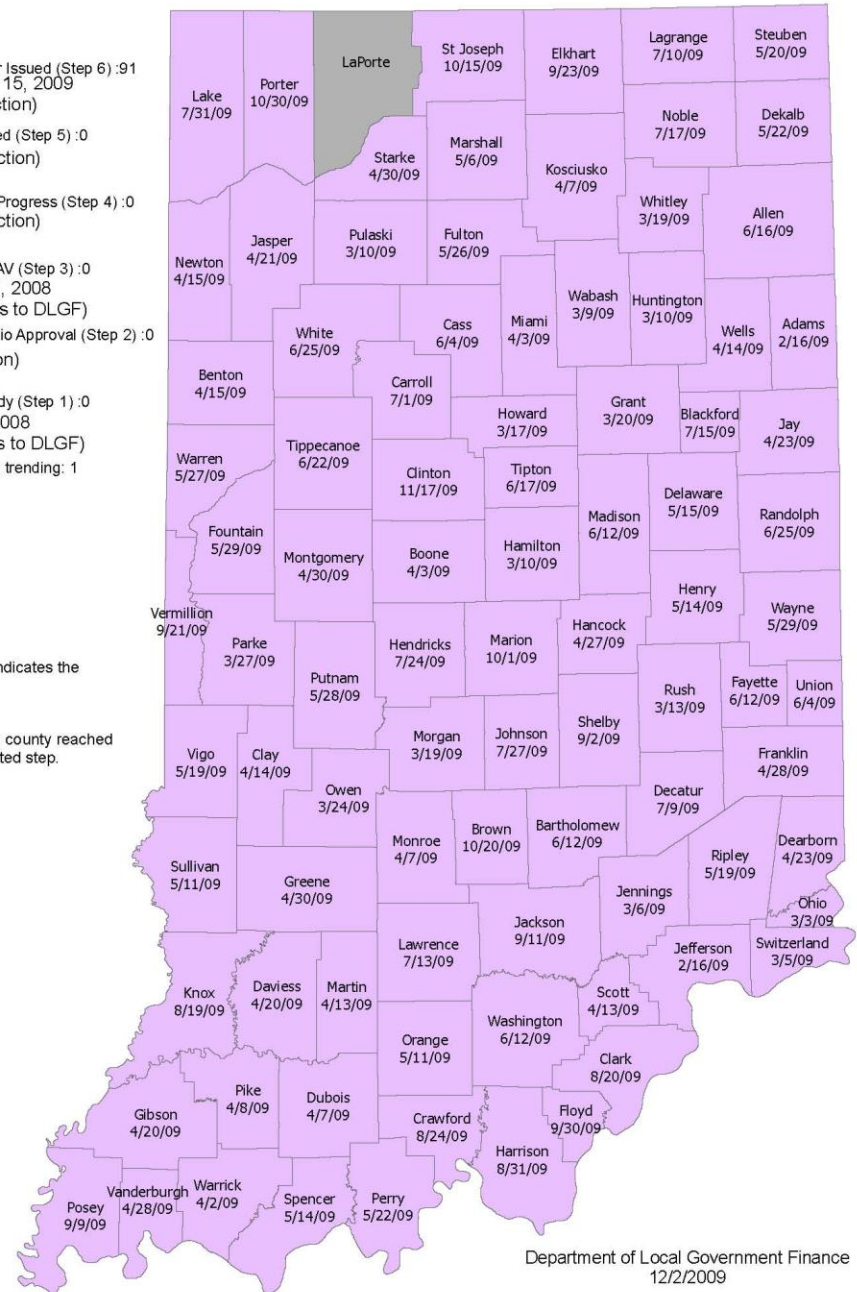
<http://www.in.gov/dlgf/6827.htm>

Indiana Counties

- Final Budget Order Issued (Step 6) :91
Due February 15, 2009
(DLGF Action)
- 1782 Notices Issued (Step 5) :0
(DLGF Action)
- Budget Review in Progress (Step 4) :0
(DLGF Action)
- Awaiting Certified AV (Step 3) :0
Due August 1, 2008
(Co. Auditor Sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :0
(DLGF Action)
- Awaiting Ratio Study (Step 1) :0
Due Spring 2008
(Co. Assessor sends to DLGF)
- State is performing trending: 1

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.



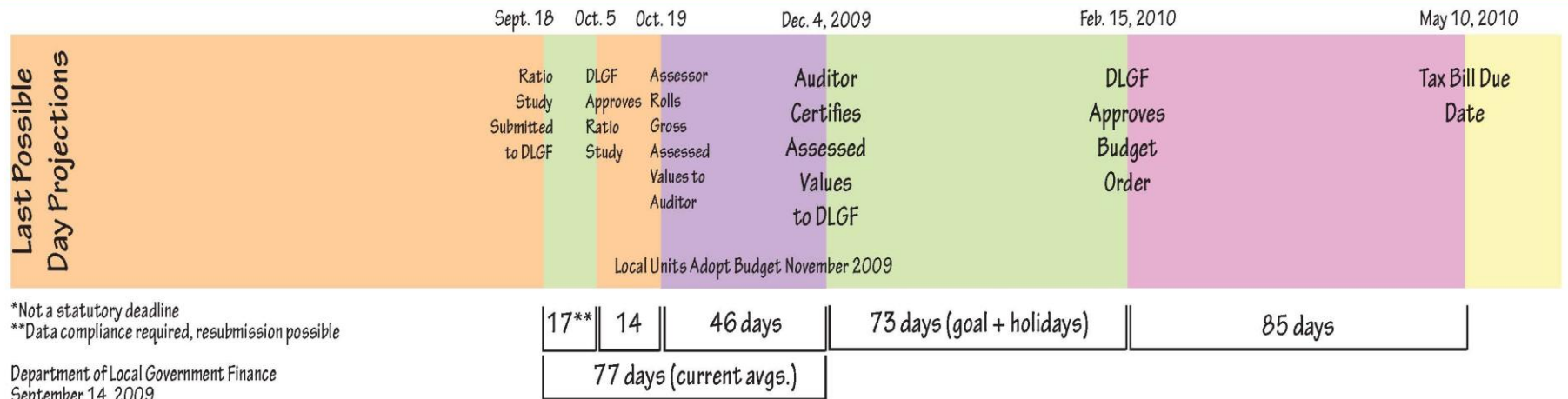
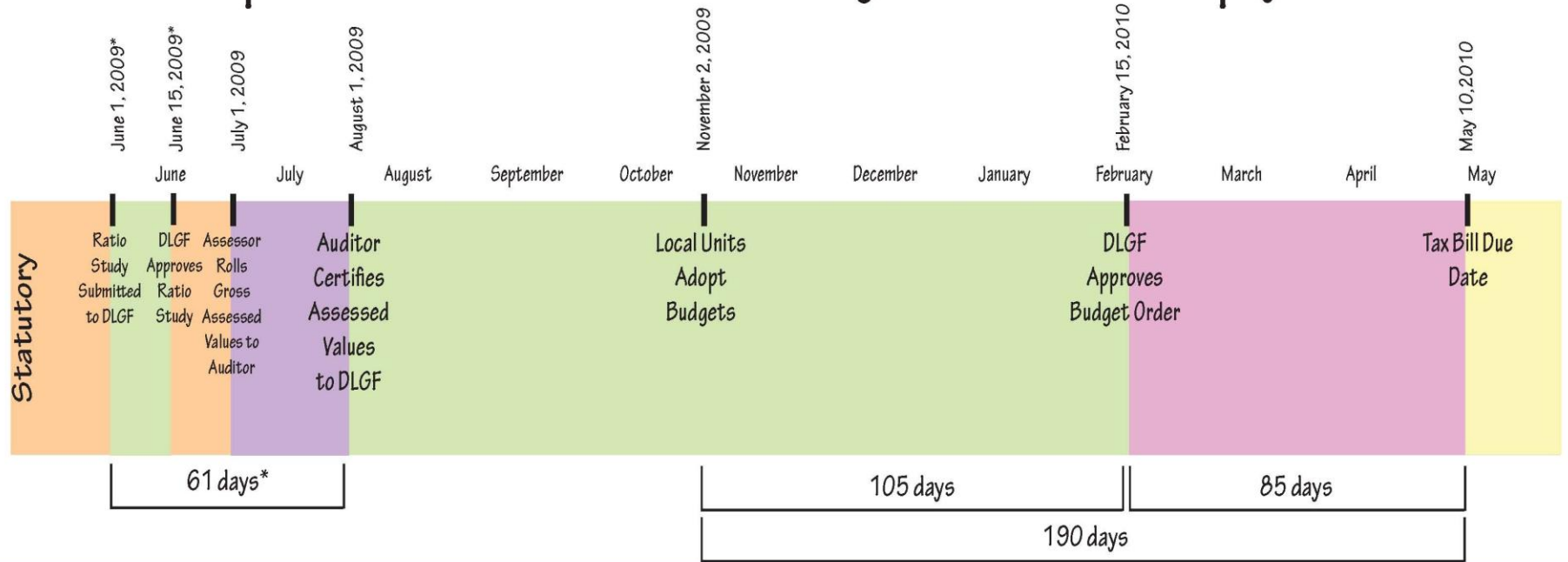


2010: “The Year of No Excuses”

In response to this challenge, the DLGF Team has accomplished the following:

- Streamlined the data compliance process for assessment-sales ratio study approval purposes;
- Simplified the annual adjustment rule to allow for the use of only one year of sales and repealed the previous guidance that assessments be changed even if assessment level and uniformity statistical measures were within international standards; and
- Established a goal to issue 2010 budget orders within 60 days from receipt of certified net assessed values from the county auditor.

Comprehensive Assessment and Budget Timeline 2009 pay 2010



*Not a statutory deadline

**Data compliance required, resubmission possible

Department of Local Government Finance
September 14, 2009



2010 Projections

- 70 to 75 counties will achieve on-time property tax billing
- Remaining counties will bill approximately four months ahead of pay-2009.
- 85% improvement from pay-2008 to pay-2010

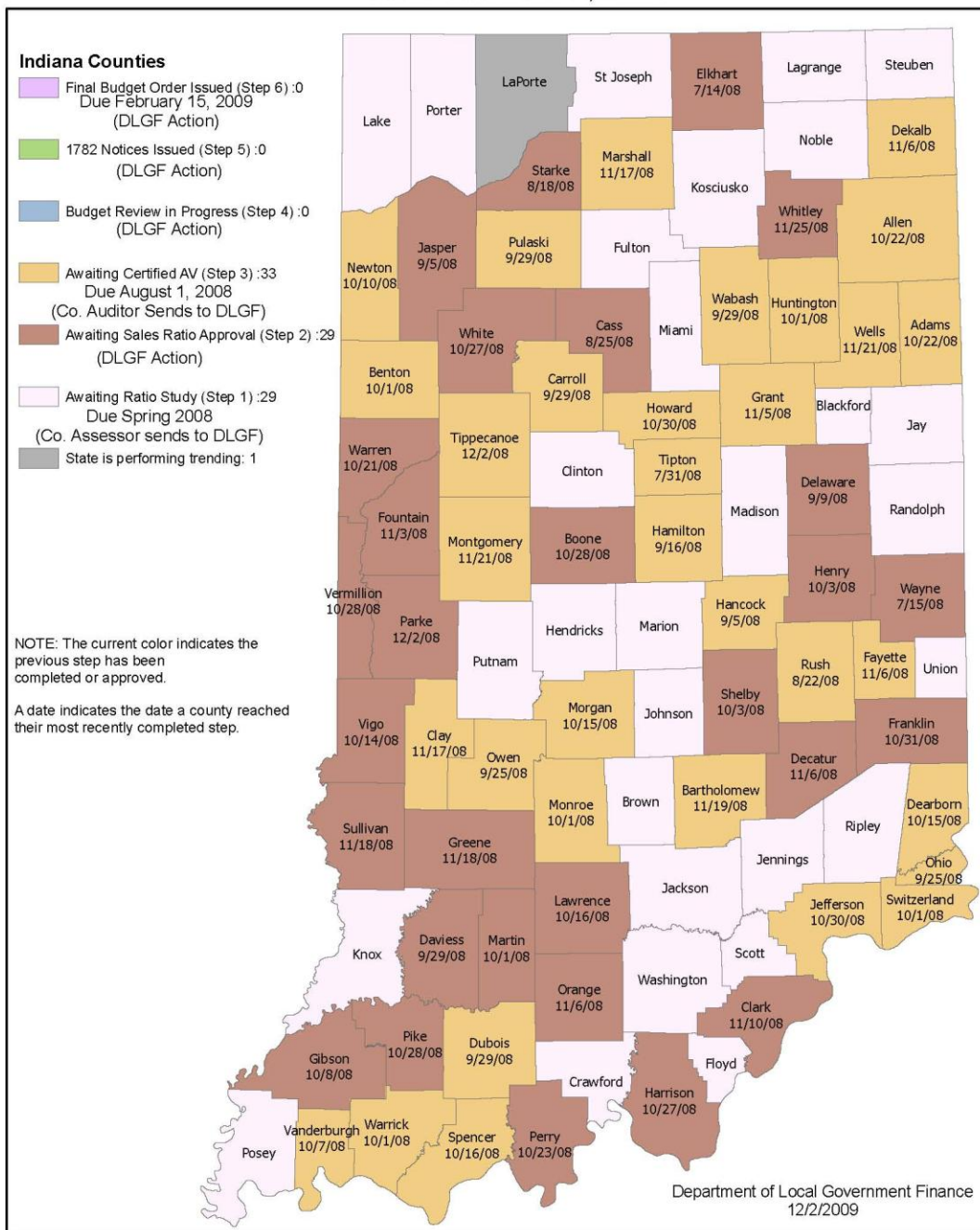


2009 Budget Certification status as of December 2, 2008

Status Maps:

<http://www.in.gov/dlgf/6827.htm>

2008 pay 2009 Budget Certification Status Map
As of December 2, 2008





2010 Budget Certification status as of December 2, 2009

Status Maps:

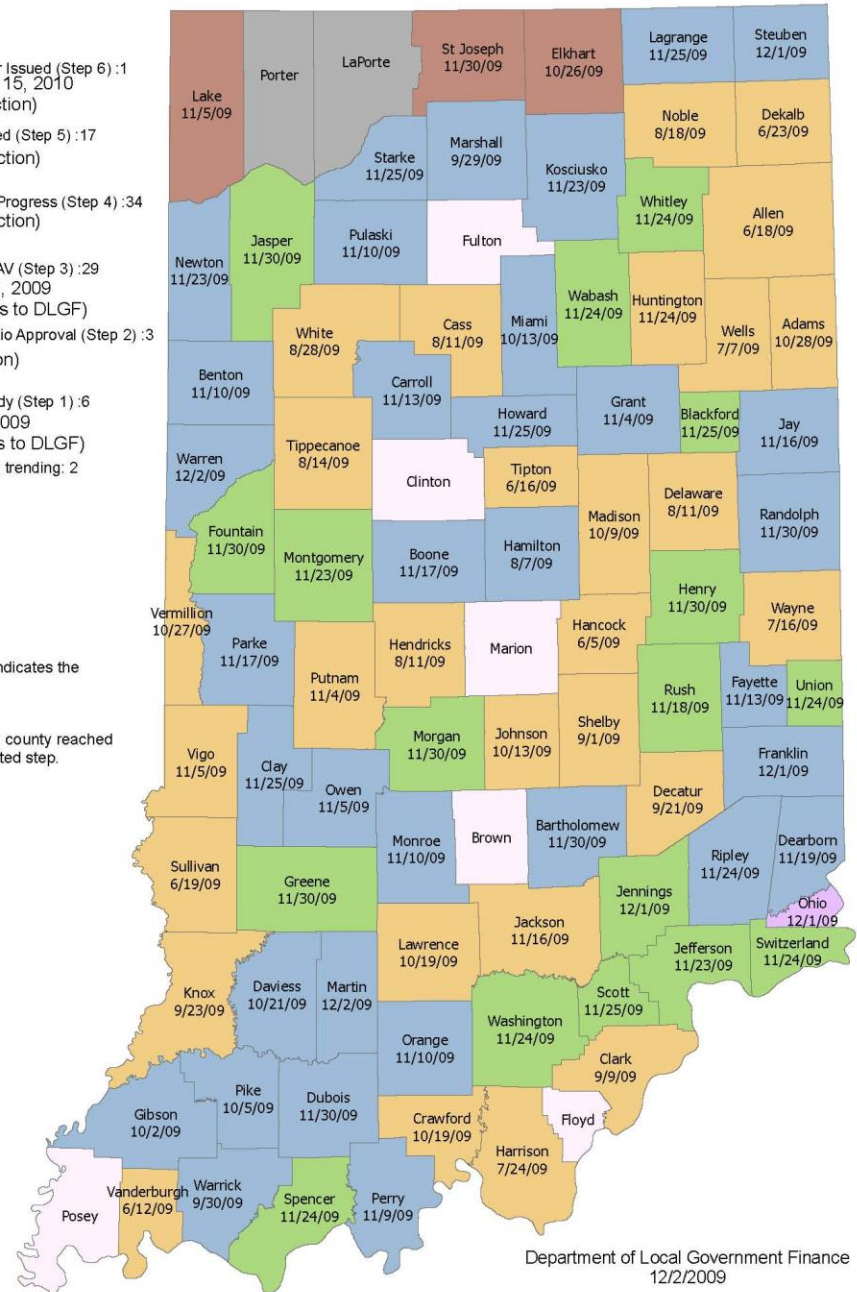
<http://www.in.gov/dlgf/6827.htm>

Indiana Counties

- Final Budget Order Issued (Step 6) :1
Due February 15, 2010
(DLGF Action)
- 1782 Notices Issued (Step 5) :17
(DLGF Action)
- Budget Review in Progress (Step 4) :34
(DLGF Action)
- Awaiting Certified AV (Step 3) :29
Due August 1, 2009
(Co. Auditor Sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :3
(DLGF Action)
- Awaiting Ratio Study (Step 1) :6
Due Spring 2009
(Co. Assessor sends to DLGF)
- State is performing trending: 2

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.





Conclusion

- Tax bills due 36% earlier in 2009 than 2008
- AVs are growing slower to reflect market
- Our Mission: Restoring Property Tax Cycle
- 2010 Census



2010 Census

UNITED STATES CENSUS

2010 *Indiana*



For more information, visit the Indiana 2010 Census Web page: www.census.indiana.edu.



2010 Census

- The U.S. Constitution requires that a Census be conducted every 10 years to count each person living in the country.
 - The Census is used to apportion congressional seats.
 - Results inform policymakers who construct government programs.
 - Census numbers are the basis of funding for many federal programs, up to \$1,200 per person.
 - Medicaid, WIC food grants, social services
 - Title I educational grants
 - Transportation
 - State funds are often distributed using Census counts.
- **Our objective is to ensure that every Hoosier is counted.**



2010 Census

- Census Day is April 1, 2010
- Short “do” list to promote U.S. Census:
 - Alert your staff to upcoming Census
 - Post the Census message or link on your Web page
 - Mention it at appropriate meetings / presentations
- Census Message added to DLGF Form 11, TS-1, etc...



Contact The Department

- Tim Rushenberg
 - Telephone: 317.232.3775
 - Fax: 317.232.8779
 - E-mail: trushenberg@dlgf.in.gov
- Web site: www.in.gov/dlgf
 - “Contact Us”: www.in.gov/dlgf/2338.htm



State Homestead Tracking Database

County Commissioners Annual Conference

Jeffrey A. Volz
Director of Data Analysis
Department of Local Government Finance
December 3, 2009



Agenda

- Origins of the Homestead Tracking Database
- Current Status and Usage
- Integrating homestead filing responses in Spring 2010
- Questions and Answers



Origins of the Homestead Tracking Database

- House Enrolled Act 1344-2009
- Indiana Code §6-1.1-12-37(i):
 - The department of local government finance shall provide secure access to county auditors to a homestead property data base that includes access to the homestead owner's name and the numbers required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.
- Application went live on July 1, 2009.



Current Status and Usage

- The present database gathers data from two sources:
 - Manual entry of deduction application information by authorized users (Auditors and staff)
 - Automatic transfer of deduction application information if the application was filed via the State Sales Disclosure Program



Manual Entry

- Auditors and staff members manually key in the information from the deduction form, and flag the application as Approved, Rejected, or Under Review

ID's (last 5 digits only)	SSN: <input type="text"/> Lic. State ('xx'): <input type="text"/> Lic. No. / ID: <input type="text"/>
Spouse Firstname	<input type="text"/>
Spouse Middlename	<input type="text"/>
Spouse Lastname	<input type="text"/>
Spouse ID's (last 5 digits only)	SSN: <input type="text"/> Lic. State ('xx'): <input type="text"/> Lic. No. / ID: <input type="text"/>
Address1 *	<input type="text"/>
Address2	<input type="text"/>
	City*: <input type="text"/> Zip*: <input type="text"/>
Activity Type	Homestead <input type="text"/>
Activity Date*	<input type="text"/>
Auditor Stamp	Approved <input type="text"/>
Notes	<input type="text"/>
Insert Home	



Automatic Transfer from State Sales Disclosure

- On a nightly basis, the State Sales Disclosure Program looks for any sales disclosure filing where the applicant indicated they were applying for a homestead deduction or were vacating an existing homestead filing.
- These records come into the database with a status of “Review” and must be reviewed and approved by the Auditor’s office.



How to Handle Filings from State SDF Program

- When you receive a paper sales disclosure form generated by the State Sales Disclosure Program containing a homestead application, you will see that the SSN and Drivers' License fields are marked "CONFIDENTIAL".
- Use the "SDF ID#" to perform a search on the homestead database and retrieve the actual information provided by the filer.



How to Handle Filings from State SDF Program

- Find the SDF ID number in the upper-right corner of the first page.

Under penalties of perjury, I hereby certify that this Sales Disclosure, to the best of my knowledge and belief, is true, correct and complete as required by law, and is prepared in accordance with IC 6-1.1-5.5, "Real Property Sales Disclosure Act". (Note: Spouse Information, Social Security and Driver's License/other numbers are not necessary if no Homestead Deduction is being filed.)

Signature of Buyer			Signature of Buyer		
Printed Name of Buyer		Sign Date (MM/DD/YYYY)	Printed Name of Buyer		Sign Date (MM/DD/YYYY)
CONFIDENTIAL	CONFIDENTIAL	CONFIDENTIAL			
Last 5 digits of Buyer 1 Driver's License/ID/Other Number	State	Last 5 Digits of Social Security Number	Last 5 digits of Buyer 2/Spouse Driver's Number License/ID/Other Number	State	Last 5 Digits of Social Security Number

	SALES DISCLOSURE FORM State Form 46021 (R9/7-09) Prescribed by Department of Local Government Finance Pursuant to IC 6-1.1-5.5			SDF ID <input type="text" value="97"/> <input type="text" value="2009"/> <input type="text" value="1000034"/> County Year Unique ID		
	PRIVACY NOTICE: The telephone numbers of the parties on this form are confidential according to IC 6-1.1-5.5-3(d).					
	SDF Date: 10/08/2009					



How to Handle Filings from State SDF Program

- On the homestead search screen, enter the SDF ID number and click “Search”.

Homestead Database

County :

SDF ID :

Parcel Number :

City :

Primary First Name : Primary Last Name : Primary SSN/ID :

Spouse First Name : Spouse Last Name : Spouse SSN/ID :

Zip :

Hmstd Status :

-OR-



How to Handle Filings from State SDF Program

- The search will bring up the record of the filing as captured by the sales disclosure program. Click “Select” to see details.

The screenshot shows a web application interface for the Department of Local Government Finance. At the top, there is a green header with the text 'Department of Local Government Finance'. Below the header, there are navigation links 'Admin' and 'Forms'. On the right side, there is a 'Logout' link. The main content area displays the title 'Homestead Database - Search results' and a 'Home' link. Below this, there is a table with the following data:

<u>Trans. ID</u>	<u>County ID</u>	<u>Sdf ID</u>	<u>Firstname (P)</u>	<u>Lastname (P)</u>	<u>SSN</u>	<u>Parcel Number</u>	<u>Act. Type</u>	<u>Aud. Stamp</u>	<u>View Details</u>
36930	49	97-2009-1000034	TEST	FILING	12345	99-01-21-100-000.000-004	Homestead	Review	<u>Select</u>



How to Handle Filings from State SDF Program

- The Details screen will show you all the information as filed, including the sensitive information (SSN and Drivers License)

Transaction ID	36930
County ID *	49
SDF ID	97-2009-1000034
Parcel Number	99-01-21-100-000.000-004
Firstname *	TEST
Middlename	
Lastname *	FILING
ID's (last 5 digits only)	SSN: 12345 Lic. State ('xx'): IN Lic. No. / ID: 67890
Spouse Firstname	
Spouse Middlename	
Spouse Lastname	
Spouse ID's (last 5 digits only)	SSN: Lic. State ('xx'): Lic. No. / ID:
Address1 *	100 N SENATE
Address2	
	City*: INDIANAPOLIS Zip*: 46204
Activity Type	Homestead
Activity Date *	10/8/2009 12:00:00 AM
Auditor Stamp	Review
Auditor Approval Date *	10/8/2009 10:54:47 AM
Approval User	jvolz
Notes	



Searching the Database

- You can search on any or all of these criteria:
 - County
 - SDF ID
 - Parcel No.
 - City
 - Filer/Spouse Name
 - Filer/Spouse SSN
 - ZIP
 - Status of Filing

Homestead Database

County	:	<input type="text" value="00-All"/>						
SDF ID	:	<input type="text"/>						
Parcel Number	:	<input type="text"/>						
City	:	<input type="text"/>						
Primary First Name	:	<input type="text"/>	Primary Last Name	:	<input type="text"/>	Primary SSN/ID	:	<input type="text"/>
Spouse First Name	:	<input type="text"/>	Spouse Last Name	:	<input type="text"/>	Spouse SSN/ID	:	<input type="text"/>
Zip	:	<input type="text"/>						
Hmstd Status	:	<input type="text" value="All"/>						
<input type="button" value="Search"/> -OR- <input type="button" value="Add new homestead filing"/>								



Suggested Uses

- For filers who do not use the state sales disclosure program to file for a homestead deduction (walk-ups):
 - Before entering their information as a new filing, search the database to see if they have a pre-existing homestead. If they do, see if they wish to vacate it.
 - This can save a lot of time and confusion as opposed to approving the deduction and having to revoke it later if the filer is ineligible.



Suggested Uses cont.

- You can use the database to manage your workload as well:
 - Run a search for your county to retrieve all homesteads with a status of “Review”.
 - This will bring up all filings that need to be determined one way or the other.
 - Repeat as often as needed.



Suggested Uses cont.

- This database is still a living program, and we welcome your feedback on enhancements that may make it more useful:
 - Reports
 - Additional search criteria
 - Additional data



Current Status and Usage

- As of October 8, there are 53,008 homestead filing entries in the database.
- This represents approximately 3% of all statewide homestead deductions in force (The Department estimates 1,750,000 homestead deductions statewide).
- How are we going to capture the other 97%?



Integrating homestead filing responses starting Spring 2010

- Indiana Code §6-1.1-22-8.1(b)(9) states that notices must be given by taxpayers to the County Auditor verifying their eligibility for the homestead deduction.
- This notice form is prescribed by the Department and will be included with the tax bills for 2010, 2011 and 2012.



Integrating homestead filing responses starting Spring 2010

- The Department expects that most taxpayers with an existing homestead deduction will respond in 2010.
- Our shared challenge and goal is to integrate this large stream of data into the homestead database without requiring additional manual entry by Auditors and staff.



What can we do to prepare?

- If your county has an IT department, involve them – see what ideas they may have.
- Also speak with your vendors to see if they have existing functionality that will eliminate or minimize double-entry.
- The Department will share data transfer specifications with vendors and county IT staff in order to facilitate capturing the incoming information into the central database.



Phase II Vendor Certification

County Commissioners Annual Conference

Jeffrey A. Volz
Director of Data Analysis
Department of Local Government Finance
December 3, 2009



Agenda

- Introduction
- Overview of 50 IAC 23
- Recap of Phase I Testing
- Overview of Phase II Testing
- Authorized Third-Party Testers
- Next Steps



Introduction

The property tax cycle requires all the officeholders and their systems to interface smoothly in order to get bills out on time.





50 IAC 23

- Adopted June 2006
- Established standards for computer systems used by Indiana counties for the administration of the property tax assessment, billing and settlement processes.
- Dictates the standard import and export file formats to exchange property tax data across software systems, and also to the Department and Legislative Services Agency (LSA).



50 IAC 23

- Three testing phases determine compliance with the standards:
 - Phase I: Initial Software Certification (50 IAC 23-18-2, -3)
 - Phase II: Initial Property Tax Management System Certification (50 IAC 23-18-4)
 - Phase III: Initial Local Certification of County Installation (50 IAC 23-18-5)
- The Department is conducting Phase II and III in concert, and refers to this combination as “Phase II” testing.



Phase I Testing - Recap

- Phase I testing established basic compliance with the standards of 50 IAC 23 in a laboratory setting.
- Initial testing was to be completed by December 31, 2008.
- To date, all vendors except one have achieved this designation, covering 91 of 92 counties.



Phase II Testing - Overview

- Phase II Testing determines how a complete property tax management system performs in the real world.
 - Testing covers both integration between assessment and tax billing software packages, and also the county's specific deployment of the software packages.



Phase II Testing

- Counties must identify and contract with an authorized third-party tester.
 - This third-party will conduct the required tests as identified and published by the Department, and will issue a recommendation to the Department on whether the county's software system should be certified.



Authorized Third-Party Testers

- What qualifications are necessary for a third-party tester?
 - At least one Level II Assessor-Appraiser on staff
 - Minimum of 5 years experience with information technology
 - Thorough knowledge of Indiana property taxation law, administrative code, and non-code provisions



Authorized Third-Party Testers

- A current listing of Department-approved third-party testers can be found at <http://www.in.gov/dlgf/7698.htm>
- As new testers are approved, their contact information is added.



Next Steps

- Contractual agreements with third-party testers must be executed by December 31, 2009.
- Actual testing and completion of the contracts must be completed by June 30, 2010.
 - This extension was granted to allow more flexibility in budgeting for this cost.



Next Steps

- What to do next:
 - Appoint a county project manager, if this hasn't already been done.
 - Contact assessment and tax billing vendors and ensure they are on schedule to be able to certify before the deadline.
 - Identify and contract with an approved third-party tester.



Contact The Department

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 - “Contact Us”: www.in.gov/dlgf/2338.htm.